

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services – PR&RD – Sri B.Rajeswara Rao, the then Engineer-in-Chief, RWS&S, A.P., Hyderabad and now retired - Allegations of irregularities in award of Price adjustment on material /pipes procured etc. in the works taken up by RWS&S Department in Anantapur district – Departmental proceedings under Rule 20 of Andhra Pradesh Civil Services (Classification, Control & Appeal) Rules, 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980 – Article of charges – Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (VIG.II) DEPARTMENT

G.O.RT.No. 36

Dated:13 .01.2015

Read:

G.O.Ms.No.4, PR&RD (Vig.II) Department, dated:13-01-2015.

ORDER:

In pursuance of the sanction accorded in the reference read above, under sub-clause (i) of clause (b) of sub-rule (2) of Rule 9 of Andhra Pradesh Revised Pension Rules, 1980, for instituting departmental proceedings against Sri B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired, it is proposed to hold an enquiry against Sri B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired, in accordance with the procedure laid down in Rule 20 of the Andhra Pradesh Civil Services (Classification, Control & Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the enquiry is proposed to be held is set out in the enclosed statement of article of charges (Annexure-I). A list of documents by which and a list of witnesses by whom, the article of charges are proposed to be sustained are also enclosed as Annexure-II and Annexure-III.

3. Sri B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired is directed to submit within (10) days of the receipt of this order, a written statement of his defence.

4. B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired is informed that an enquiry will be held only in respect of article of those charges as are not admitted. He should, therefore, specifically admit or deny article of charge.

5. B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired is further informed that if he does not submit his written statement of defence on or before the period specified in Para 3 above or otherwise fails or refuses to comply with the provisions of Rule 20 of Andhra Pradesh Civil Services (Classification, Control & Appeal) Rules, 1991 or the orders / directions issued in pursuance of the said rules, the Inquiring Authority may hold the inquiry against him ex-parte.

6. B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired is invited to Rule 24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964, under which no Government Servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interest in

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respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another person in respect of any matter dealt within these proceedings, it will be presumed that Sri B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule-24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964.

7. The receipt of this G.O. shall be acknowledged.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PADESH)

Dr.K.S.JAWAHAR REDDY
SECRETARY TO GOVERNMENT

To

Sri B.Rajeswara Rao, the then Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad and now retired through the Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh Hyderabad.

The Engineer-in-Chief, Rural Water Supply & Sanitation, Andhra Pradesh, Hyderabad (in duplicate with a request to serve and return the dated acknowledgement copy).

Copy to:

The General Administration(V&E) Department (w.r.t.Vigilance Report No74(498/V&E/2010-Anantapur), dt. 28.04.2014).

The Secretary to Vigilance Commissioner, APVC, Hyderabad.

The Panchayat Raj & Rural Development (Estt.I) Department.
SF/SC.

//FORWARDED::BY::ORDER//

SECTION OFFICER

ANNEXURE-I
STATEMENT SHOWING THE ARTICLE OF CHARGES FRAMED AGAINST
SRI B.RAJESWARA RAO, THE THEN ENGINEER-IN-CHIEF, RWS&S ,
A.P., HYDERABAD AND NOW RETIRED

CHARGE:-

That Sri B.Rajeswara Rao, the then Engineer-in-Chief, RWS&S, A.P., Hyderabad and now retired, approved price escalation for Rs.15.28 Crores and Rs.10.26 Crores for Nelakantapuram SriramiReddy Drinking Water Scheme Phase I and Nelakantapuram SiriramiReddy Drinking Water Scheme Phase II respectively instead of price reduction of Rs.12.95 crores and Rs.5.51 crores favouring the contractor in violation of the instructions and Government Orders.

Basis:-

The General Administration (Vigilance & Enforcement) Department have verified eight (8) works pertaining to two (2) Rural Water Supply Projects i.e., 1) Neelakanthapuram Srirami Reddy Drinking Water Supply Scheme and (2) J.C. Nagi Reddy Drinking Water Supply Scheme executed during 2006-07, 2007-08 and 2008-09 in Ananthapuram District with reference to price adjustment for different type of pipes and corresponding amounts paid to the agencies. After verification, the General Administration (Vigilance & Enforcement) Department have furnished the following work wise details of price adjustment, vide Vigilance Report No74 (498 V&E/2010 Anantapur), dt. 28.04.2014:-

A.Neelakanthapuram Srirami Reddy Drinking water Supply Scheme Phase -1

An amount of Rs. 15.38 Crores paid to the Contractor towards price escalation as approved by the ENC, RWS&S Dept, Hyderabad. On Verification by V&E , there is price reduction for an amount of Rs. 12.92 Crores instead of price escalation paid by the Dept. Hence the total amount of Rs 28.33 Crores (Price Escalation amount Rs. 15.38 Crores already paid to the Contractor and price reduction of amount Rs. 12.954 Crores as eligible considering the invoice rates) shall be recovered from the agency M/S L&T Hyderabad.

B.Neelakanthapuram Srirami Reddy Drinking water Supply Scheme Phase-II

The RWS&S Dept. officials paid an amount of Rs.10.26 Crores towards price escalation as approved by the ENC, RWS&S Dept.,Hyderabad. But as verified from the records the department officials did not consider the invoice rates which are lesser than the price adjustment rate based on raw material cost for finished rates of pipes. Considering the invoice rates the price reduction works out to Rs. 5.50 Crores. Hence an amount of Rs.15.76 Crores shall be recovered from the agency M/S L&T Hyderabad i.e. (price escalation paid amount Rs.10.26 Crores plus Rs.5.50 Crores price reduction amount eligible for price variation as per norms).

C.Neelakanthapuram Srirami Reddy Drinking water Supply Scheme Phase-III

As per the norms , the ENC had to approve the price adjustment. But an amount of Rs.9.23 crores by the RWS&S Dept. officials paid towards price escalation as approved by the SE, RWS&S Circle, Ananthapur. Considering the invoice rates for finished rate of pipes which are lesser, the price variation works out to price reduction of Rs. 7.32 Crores. Hence an amount of Rs. 16.55 Crores shall be recovered from the agency M/S L&T Hyderabad. i.e.(Price escalation paid amount Rs.9.23 Crores plus Rs. 7.32 Crores price reduction amount eligible for price variation as per norms).

D.Neelakanthapuram Srirami Reddy Drinking water Supply Scheme Phase-IV

The RWS Dept. officials did not pay any price escalation amount in this work. But as work out by the V&E Dept. considering the

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invoice rates which are lesser, the price reduction amount works out to Rs.17.12 Crores and the same shall be recovered from the agency M/S L&T Hyderabad.

E. J.C. Nagi Reddy Drinking water Supply Scheme Phase-I

An amount of Rs 9.48 Crores observed as escalated amount paid to the Contractor as approved by the SE, RWS&S Circle, Ananthapur though he is not competent to approve the price adjustment. The ENC , RWS&S department has to approve the price adjustment proposals as per norms. However, as per the V&E Dept. calculations considering the invoice rates as per the norms, there is price reduction of an amount of Rs. 5.03 Crores instead of price escalation. Hence an amount of Rs. 14.51 crores ((price escalated amount of Rs.9.48 Crores and reduction of amount Rs.5.03 Crores), shall be recovered from the agency IHP Ltd., Mumbai.

F. J.C. Nagi Reddy Drinking water Supply Scheme Phase-II&III

The RWS Dept. officials did not pay any price escalation amount in this work. But as worked out by the V&E Dept. considering the invoice rates which are lesser, the price reduction amount works out to Rs. 0.16 Crores and the same shall be recovered from the agency M/S IHP Ltd., Mumbai.

G. J.C. Nagi Reddy Drinking water Supply Scheme Phase-IV

The RWS Dept. officials did not pay any price escalation. However on comparison of the rates by V&E Dept., the invoice rates of BWSC and MS pipes are higher than the agreement rates.

H. The ENC, RWS, Hyderabad and the SE, RWS&S Circle, Ananthapur while according the approval for price adjustment did not consider the Govt. instructions and GOs violating the General Conditions of the Contract of the Agreement. Instead of price deduction to be effected from the Contractor's Bills, they accorded approval for price escalation of huge amounts benefiting the contracting agencies concerned causing heavy loss to the Govt. exchequer for the ENC and the SE, RWS&S circle are responsible.

As per the report of the V&E Department, the following is the abstract of recoveries:-

S.No	Name of the work	Reduction amount (Rs in crores)	Escalated amount paid (Rs in crores)	Total amount to be recovered(Rs.in cr.	Name of the Agency
Neelakanthapuram Srirami Reddy Drinking water Supply Scheme					
1	Phase I	12.95	15.38	28.33	M/S L&T Company LTD. Hyderabad
2	Phase II	5.51	10.26	15.77	
3	Phase III	7.32	9.23	16.55	
4	Phase IV	17.12	0.00	17.12	
			Total	77.77	
J C Nagi Reddy Drinking water Supply Scheme					
1	Phase I	5.03	9.48	14.51	M/S Indian Hume Pipe Company Lt. Mumbai
2	Phase II&III	0.16	0.00	0.16	
3	Phase IV	0.00	0.00	0.00	
	Total (Rs. In Crores)			14.67	
	Grand Total (Rs. In Crores)			92.44	

From this is evident that, he has shown gross negligence towards his legitimate duties and caused loss to Government exchequer, violating Rule (3) of APCS (CC&A) Rules, 1964.

Hence the charge.

Dr.K.S.JAWAHAR REDDY
SECRETARY TO GOVERNMENT

SECTION OFFICER

ANNEXURE-II

**LIST OF DOCUMENTS BY WHICH THE ARTICLE OF CHARGES FRAMED
AGAINST SRI B.RAJESWARA RAO, THE THEN ENGINEER-IN-CHIEF,
RWS&S AND NOW RETIRED ARE PROPOSED TO BE SUSTAINED**

From the G.A.(V&E) Dept, Vigilance Report No.74 (498/V&E/E2/2010 Anantapur), dt. 28.04.2014.

Dr.K.S.JAWAHAR REDDY
SECRETARY TO GOVERNMENT

SECTION OFFICER

ANNEXURE-III

**LIST OF WITNESSES BY WHOM THE ARTICLE OF CHARGES FRAMED
AGAINST SRI B.RAJESWARA RAO, THE THEN ENGINEER-IN-CHIEF,
RWS&S AND NOW RETIRED ARE PROPOSED TO BE SUSTAINED**

- Nil -

Dr.K.S.JAWAHAR REDDY
SECRETARY TO GOVERNMENT

SECTION OFFICER